

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Military Leave - Worksheet Revision	REFERENCE NUMBER: 2009-008
DATE ISSUED: 02/04/09	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors**

FROM: Department of Personnel Administration
Labor Relations Division

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On June 17, 2008, H.R. 6081, the *Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act)*, was signed by the President. The Act became Public Law No: 110-245 which amended IRS Ruling 69-13. Specifically, the amendment indicates that military leave payments are now considered wages and as such, these payments will now be subject to Federal, State, Social Security, Medicare, and SDI deductions effective within the 2009 tax year.

Effective January 1, 2009, military leave payments issued by the State Controller's Office (SCO) will be subject to Federal, State, Social Security, Medicare, and State Disability Insurance (SDI) taxes and will be reported on the Form W-2, Wage and Tax Statement.

[Revised Military Leave Work Sheet](#)

Note: The new Military Leave Work Sheet is only to be used for payments that will be issued on or after January 1, 2009.

Who needs to complete the revised Military Leave Work Sheet?

- Employees newly eligible to receive military leave pay.
- Employees deployed on a new military tour.
- Employees who wish to change their current Military Leave Work Sheet information.
- Employees who wish to participate in the Savings Plus Program 401 (k) Plan and/or 457 Plan.

Does an employee who is currently on a military leave need to submit a new work sheet?

- No, the State Controllers' Office will automatically compute the new adjusted net salary.

Payroll processing questions regarding military leave should be addressed to Ann Mitchell at SCO at (916) 323-2539.

Human Resources staff with questions regarding this update are directed to the DPA Personnel Services Branch at the contact information above.

/s/Julie Chapman

Julie Chapman
Deputy Director of Labor Relations